Cases disposed of by BIFR

111. SHRI VIREN J. SHAH: Will the Minister of FINANCE be pleased to state:

(a) what is the number of sick units for which BIFR has so far made recommendations or has finally disposed of since its inception;

(b) the number of these units that have turned the corner;

(c) the number of cases that are still pending with BIFR; and

(d) what steps Government propose to take to expedite these cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The Board for Industrial and Financial Reconstruction (BIFR) have reported that as on 31.10.92, a total of 801 references of sick industrial companies were finally disposed of by them since inception. Of these, BIFR have approved the adoption of rehabilitation packages in the case of 385 companies.

(b) Out of the cases under rehabilitation, 10 units have been declared to be no longer sick, 27 units have merged and 63 are expected to be turned around shortly.

(c) BIFR have reported that a total number of 462 cases are still under various stages of inquiry.

(d) Government have introduced the Sick Industrial Companies (Special Provisions) Amendment Bill, 1992 in Parliament in order to quicken the process of revival of sick industrial companies and facilitate the smooth working of BIFR.

Revised scheme for revival of M/s. Kelvin Jute Company Ltd.

112. SHRI VIREN J. SHAH: Will the Minister of FINANCE be pleased to refer to the reply to Unstarred Question 187 given in the Rajya Sabha on 21st July, 1992 and state:

(a) what are the details of the revised scheme submitted by IRBI to BIFR regarding the delay in release of funds by the financial institutions concerned to M/s. Kelvin Jute Company Ltd. (KJCL);

(b) what are the details of the recommendations of the BIFR in this regard; and

(c) what decision Government have taken in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Industrial Reconstruction Bank of India (IRBI) have reported that the revised scheme submitted by them to BIFR had envisaged a project cost of Rs. 1053 lakhs as against Rs. 744 lakhs envisaged in the original scheme. The projected operations indicated that the company was financially non-viable since there was negative cash generation during the entire rehabilitation period. Since the company had lose its viability, financial institutions including IRBI were not in a position to disburse any further funds to the company.

(b) and (c) Board for Industrial and Financial Reconstruction (BIFR) have reported that the case of Kelvin Jute Co. Ltd.. (KJCL) was reviewed by Bench-III on 31.8.1992 when it was found that the commercial viability of KJCL, on the basis of the revised proposal floated by the new promoters, was doubtful. IRBI was accordingly directed to submit the views of Banks/Financial Insititutions involved in KJCL. A supplementary report, along with the minutes of the joint meeting, has been forwarded by IRBI to the BIFR, who will take a decision in accordance with the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, which will be binding under law.